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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Direct Access to the)
INTELSAT System)

IB DOCKET NO. 98-192
File No. 60-SAT-ISP-97

COMMENTS OF ELLIPSO, INC.

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SUMMARY

Ellipso, Inc. ("Ellipso"), the developer of the ELLIPSO™ global mobile satellite system, submits these comments in support of direct access to the INTELSAT satellite system in the United States. As an entrepreneurial satellite company, Ellipso favors elimination of market entry barriers, such as those imposed by the current "gatekeeper" approach, on the grounds that open and competitive access will foster diverse services and service providers, as well as lower costs to the consumer. Direct access will potentially allow service providers, like Ellipso, to offer integrated communications solutions to its customers.

The Commission now has the opportunity to extend U.S. public policy in support of market access and free trade through the immediate implementation of direct access. Ninety-three countries throughout the world have implemented some form of direct access now offered by INTELSAT to the advantage of consumers of telecommunications services and licensed systems in their markets. The U.S. House of Representatives has in the 105th Congress called for the implementation of direct access to INTELSAT, and the Commission itself has acknowledged the advantages of direct access.

The Commission possesses the authority to implement direct access in the U.S. market. No Constitutional barriers exist and no anti-competitive problems will be created. To the contrary, direct access will advance the privatization efforts of INTELSAT. Direct access will allow users and providers to determine the best use of the INTELSAT system.

For Ellipso, direct access will provide an opportunity to become a Direct Access Customer or to take advantage of the competitive arrangements that will be available from providers with direct access. Direct access will enable Ellipso to meet demand for integrated communications services from the growing communications markets it plans to serve. Finally, direct access will enable the market, not Comsat, to determine the most efficient means of utilizing the INTELSAT system. This market-driven regime will strengthen the competitiveness of U.S. telecommunication companies in the larger global marketplace and provide them with the needed support to reach every corner of the globe.

In this proceeding, the Commission must acknowledge these advantages of direct access as it carries the debate forward from its earlier inquiry. In the end, the Commission must endorse the value of direct access to U.S. telecommunications consumers and providers and implement direct access immediately. Just as monopoly regimes are no longer appropriate, delay in implementing direct access is no longer justified.

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INTELSAT System)	File No. 60-SAT-ISP-97

COMMENTS OF ELLIPSO, INC.

Ellipso, Inc. ("Ellipso"), developer of the ELLIPSO™ global mobile satellite system, hereby submits its comments with respect to the Notice of Proposed Rulemaking (*NPRM*) in the above-captioned proceeding.¹

I. INTRODUCTION AND SUMMARY

Ellipso is the parent company of Mobile Communications Holdings, Inc. ("MCHI") which was licensed by the Commission in July 1997 to construct, launch and operate ELLIPSO™, an elliptical low earth orbit mobile satellite system. ELLIPSO™ will provide high

¹ Notice of Proposed Rulemaking, IB Docket No. 98-192, File No. 60-SAT-ISP-97, FCC

quality, low cost mobile and fixed voice and data services in the United States and worldwide when it commences commercial operation in 2001.² Ellipso, through its subsidiary MCHI, has also filed for authority to deploy a second generation system, known as ELLIPSO™ 2G, which will enhance system capacity and provide a broader range of communication services.³

As an entrepreneurial satellite company, Ellipso believes that it has a unique perspective to offer in the current proceeding which seeks comments on issues relating to direct access to the INTELSAT system in the United States. In this regard, Ellipso urges the Commission to consider the potential benefits of direct access as a means of fostering innovative and competitive solutions for telecommunications needs in the global marketplace. Ellipso's experience as an entrepreneurial company underscores the challenges faced by such companies in entering the telecommunications marketplace. The Commission should use its authority to identify and eliminate market entry barriers and promote competitive markets both domestically and abroad.⁴

98-280, released October 28, 1998 ("NPRM").

² Mobile Communications Holdings, Inc., *Order and Authorization*, 12 FCC Rcd 9663 (1997).

³ See Mobile Communications Holdings, Inc., Application for Authority to Launch and Operate ELLIPSO 2G, an Elliptical Low Earth Orbit Mobile Satellite System in the 2 GHz Band, File No. 180-SAT-P/LA-97 (26).

⁴ Section 257 of the Telecommunications Act of 1996 directs the Commission to identify and eliminate market entry barriers for small and entrepreneurial telecommunications businesses. See 47 U.S.C. 257(b). The Commission interprets "market entry barriers" to include "barriers

Ellipso foresees the possibility of requiring INTELSAT capacity as a part of the integrated communications solutions desired by its customers. Identifying flexible and competitive arrangements is a rational response to serving the business and consumer markets that Ellipso plans to target. Direct access will provide the opportunity for Ellipso to make favorable arrangements directly with INTELSAT as a Direct Access Customer, without being required to engage a legally mandated “middle man”. Direct access further strengthens the ability of U.S.-licensed providers to complete end-to-end transmissions in the most efficient, cost effective way possible.

The Commission first considered the question of direct access to the INTELSAT system for services provided in the United States in an earlier proceeding over fifteen years ago.⁵ In that proceeding, the Commission declined to authorize direct access.⁶ The Commission concluded that “[direct access] would result in little savings to end users and would not be in the public

that impede entry into the telecommunications market by existing small businesses and obstacles that small telecommunications businesses face in providing service or expanding within the telecommunications industry.” See Section 257 Proceeding to Identify and Eliminate Market Entry Barriers for Small Businesses (*Notice of Inquiry*), GN Docket No. 96-113, FCC No. 96-216, released May 21, 1996 at para. 4.

⁵ See Regulatory Policies Concerning Direct Access to INTELSAT Space Segment for U.S. International Service Carriers (*Notice of Inquiry*), 90 FCC 2d 1446 (1982).

⁶ See *NPRM* at para. 5. See also Regulatory Policies Concerning Direct Access to INTELSAT Space Segment for U.S. International Service Carriers (*Report and Order*), 97 FCC 2d 296 (1984) (“1984 Direct Access Order”) at para. 32.

interest.”⁷ The factual assumptions underlying the Commission’s 1982 decision must be reexamined in light of the significant developments in the telecommunications marketplace that have occurred in the interim.

In these comments, Ellipso responds briefly to the four basic questions raised in this proceeding with respect to direct access.⁸ As more fully set forth below, Ellipso believes that the new global marketplace and the pro-competitive environment required by new private satellite systems is directly relevant to the question of direct access. Simply carrying forward the debate of the last decade or focusing on cost-related benefits is not enough. Direct access will offer private satellite systems new opportunities to utilize INTELSAT resources as they meet the demand of U.S. business and telecommunications consumers and extend their services to global markets.

⁷ *NPRM* at para. 5.

⁸ *See NPRM* at para. 15.

II. RESPONSE TO QUESTIONS RAISED BY THE COMMISSION

A. The Commission Has the Authority to Implement Direct Access in the U.S. Market (Paras. 16 - 43)

The Commission properly concludes that it possesses the authority to implement Level 3 direct access to INTELSAT⁹ and that the Communications Satellite Act of 1962¹⁰ does not require Comsat to be the sole provider of access to INTELSAT.¹¹ Comsat's monopoly position can no longer be justified in a competitive global marketplace. Permitting users to obtain Level 3 direct access will in fact further the purposes of the Act by promoting the development of new, innovative services (and diverse service providers) for the U.S. market, strengthening global competition in satellite communications, and enhancing the provision of services to less developed countries.¹² INTELSAT, in its public and future private capacity, represents a

⁹ *NPRM* at para. 19. The question of authority to implement direct access in the United States has been adequately addressed by filings made with the FCC, *e.g.*, Satellite Users' Coalition "The Legal Authority of the Federal Communications Commission to Authorize Direct Access to the INTELSAT System" filed on March 6, 1998 (cited in *NPRM* at para. 11, n.27).

¹⁰ 47 U.S.C. 701 *et seq.*

¹¹ *NPRM* at para. 25.

¹² *See Id.* at para. 30.

valuable gateway to world markets and users should be permitted direct access.

Ellipso agrees with the analysis and tentative conclusions of the Commission regarding the Constitutional questions raised in the *NPRM*.¹³ It should be noted that these issues were raised and debated extensively on the floor of the U.S. House of Representatives¹⁴ and are distractions to the current inquiry that the Commission properly rejects.

**B. Direct Access Will Create Market-Driven Service Options for Private
Satellite Systems (Paras. 44 - 55)**

The Commission seeks comment on the potential benefits of direct access and correctly acknowledges those benefits identified by INTELSAT itself.¹⁵ These benefits include: efficiency (“Direct Access Customers obtain quick answers to questions and faster service implementation, because they come to the source for their information and can openly discuss service issues, from the initial planning stages through the final end-to-end testing and start of operation.”); cost savings (“Customers avoid the mark-up costs that a third party usually charges.”); control (“Direct Access Customers have the advantage of greater control over a number of elements that

¹³ See *NPRM* at paras. 31-43.

¹⁴ See 144 Cong. Rec. H2840-49 (daily ed. May 6, 1998) (debate and recorded vote on amendment No. 6 offered by Rep. Morella).

¹⁵ *NPRM* at para. 44.

can effect their telecommunications services, such as service quality, performance costs, connectivity, redundancy, and earth station capabilities.”); and service flexibility (“Direct Access Customers can tailor services more flexibly than going through a third party provider, for virtually any bandwidth, time duration, performance standard, redundancy and service application required.”).¹⁶ INTELSAT also offers “Know How” (“Analog or digital, INTELSAT’s technical expertise is world renowned and available to all our customers - any time, at no cost.”) and is “Here When You Need Us” (“Direct Access Customers benefit from communicating with INTELSAT through their dedicated Regional Directors and the Customer Support teams - people who know their needs and understand their markets.”).¹⁷ It is particularly striking that INTELSAT acknowledges the disadvantages of accessing its system through third party providers, which are for the most part the current Signatories, including Comsat.¹⁸ Furthermore, these commitments should not be expected to be as forthcoming from a monopoly gatekeeper, itself intent on entering the same competitive markets in which private satellite systems would seek to employ INTELSAT resources.

¹⁶ See “Accessing INTELSAT ... Directly,” reprinted in *Communications Satellite Competition and Privatization Act of 1997: Hearing on H.R. 1872 Before the Subcomm. on Telecommunications, Trade, and Consumer Protection, House Comm. on Commerce*, Ser. No. 105-61, 105th Cong., 1st Sess. 137 (September 30, 1997) (“*Hearing on H.R. 1872*”). See also *NPRM* at para. 44.

¹⁷ See *Id.*

¹⁸ See *Id.*

The Commission too acknowledges the advantages of direct access.¹⁹ In its own conclusions in the *Comsat Non-Dominant Order*, the Commission stated that Level 3 direct access will: 1) eliminate a now unjustifiable monopoly control of INTELSAT services in the U.S. market; 2) instill new opportunities for competition in the provision of INTELSAT services in the United States; and 3) reduce Comsat's market power that is based solely on a grant of monopoly access to INTELSAT.²⁰ These benefits alone represent compelling reasons to implement direct access. The fact that the Commission may not be able to discern immediate cost reduction benefits (as it was unable to do in its 1984 direct access inquiry) does not detract from the value of eliminating monopoly control and instilling new opportunities for providing competitive communications solutions. The Commission must conclude that the market is best able to determine how to most efficiently utilize INTELSAT's direct access offerings. Historically, in the satellite industry, competition has ultimately fostered diverse services and service providers.

¹⁹ See Comsat Corporation Petition Pursuant to Section 10(c) of the Communications Act of 1934, as amended, for Forbearance from Dominant Carrier Regulation and for Reclassification as a Non-Dominant Carrier (*Order and Notice of Proposed Rulemaking*), File No. 60-SAT-ISP-97, FCC 98-78, released April 28, 1998 ("*Comsat Non-Dominant Order*").

²⁰ See *NPRM* at para. 53.

In fact, the Commission has already recognized that “consumers are best served when they have a choice of suppliers and are likely to benefit from lower prices as a result of choice.”²¹

The Commission has also properly recognized that Level 3 direct access will give U.S. authorized carriers and users a choice between Comsat or accessing INTELSAT directly to serve switched voice, private line and occasional-use video markets.

More suppliers of service in these markets spurs competition among telecommunications service providers which promotes competitive market conditions. Such competitive conditions create the potential for price competition, service quality improvements and innovation and would serve the public interest.²²

Customer choice is inevitably limited in markets where a monopoly gatekeeper is allowed to exist. New products and services and market innovations are stifled by monopolies. Unlike market participants driven by competition and the desire to enter new and existing markets, monopolies do not seek ways to maximize existing resources for new services or greater efficiencies. Under the current regime, Comsat cannot be expected to market innovative applications or offer flexible arrangements as aggressively as will Direct Access Customers in a competitive marketplace.²³

²¹ See *Hearing on H.R. 1872* at 147 (letter dated December 22, 1997, from Regina M. Keeney, Bureau Chief, Federal Communications Commission, to the Hon. Thomas Bliley, Chairman, Committee on Commerce, U.S. House of Representatives in response to questions submitted after the hearing).

²² *Comsat Non-Dominant Order* at para. 155.

²³ A more competitive and open marketplace may include Comsat itself. Nevertheless, the

C. Direct Access Will Not Give Rise to Competitive Concerns (Paras. 56 - 58)

The Commission summarizes concerns raised by some commenters that direct access will allow INTELSAT to compete in the U.S. market unchecked by the Commission's jurisdiction over rates and practices²⁴ and with the full benefits of its privileges and immunities from liability for anti-competitive activities.²⁵

Concerns about anti-competitive rates and practices are clearly important and traditionally fall within the scope of Commission proceedings.²⁶ The Commission should consider the experience of rates and practices in those countries currently allowing direct access to INTELSAT to determine the credibility of this threat. Furthermore, the Commission should encourage the United States to continue to exercise its influence in INTELSAT to discourage anti-competitive practices, not only in the U.S. market, but in markets worldwide. This diligence

Commission recognizes that "Comsat, like any other company facing competition, must control its costs to remain competitive." *See Comsat Non-Dominant Order* at para. 157.

²⁴ *See NPRM.* at paras. 56, 57.

²⁵ *See Id.* at paras. 56, 58.

²⁶ The Commission asks if it will be able to protect consumers by treating INTELSAT in the same manner that it treats other foreign satellite systems that may enter the U.S. under the terms of the 1997 WTO Agreement. *Id.* at para. 57.

would be consistent with the United State's position as a Party to INTELSAT and it would be consistent with INTELSAT's public statement concerning its intentions to privatize by the year 2001.²⁷

The Commission may reserve the right to withdraw direct access if anti-competitive practices resulting from direct access are found to exist and persist. It should be expected, however, that INTELSAT will so value the relationship with its Direct Access Customers in the United States that it would do nothing to jeopardize its position in this market. Likewise, the United States should exert its influence to encourage INTELSAT to waive its privileges and immunities relative to services offered in the United States via direct access.²⁸ This too would be consistent with INTELSAT's plans for privatization and there is no reason for INTELSAT to postpone this limited waiver until formal privatization is realized.²⁹

²⁷ See Mills, "Bringing Intelsat Back to Earth; The Satellite Group Wants to Privatize and Compete in the Real World," *The Washington Post*, July 20, 1998, at F05. INTELSAT also asserts that "[i]f INTELSAT does not move quickly enough, [INTELSAT] will only hurt [itself]." See also *International Satellite Reform: Hearing Before the Subcomm. on Communications of the Senate Comm. on Commerce, Science, and Transportation*, 105th Cong., 2d Sess. 14 (September 10, 1998) ("*Senate Hearing on Satellite Reform*") (statement of Conny Kullman, Director General and CEO-Designate, INTELSAT) (available at www.senate.gov/~commerce/hearings/).

²⁸ The Commission seeks comments on the potential of INTELSAT to use its privileges and immunities to insulate itself from liability for any anti-competitive activities. See *NPRM* at para. 58.

²⁹ A privatized INTELSAT, as envisioned by the U.S. House of Representatives, would not enjoy its current privileges and immunities in the provision of services to the U.S. market. See

Complementing the implementation of direct access, the International Anti-Bribery and Fair Competition Act of 1998³⁰ addresses the privileges and immunities of INTELSAT relative to its provision of commercial satellite services in the United States. Section 5(c) makes clear that INTELSAT will not enjoy immunity for acts taken in connection with commercial telecommunications activities. Furthermore, Section 5(d) directs the President to take all appropriate action necessary to eliminate or substantially reduce all privileges and immunities accorded INTELSAT not covered in Section 5(c). Much of this will be secured through U.S. action in the ITU; however, the Commission should now be guided by this clear policy in favor of a pro-competitive environment in commercial telecommunications activities.

D. Direct Access Will Not Interfere with INTELSAT Privatization (Para. 59)

Based on concerns raised by Comsat, the Commission asks whether implementing direct access might undermine U.S. efforts to privatize INTELSAT.³¹ INTELSAT already offers direct access, subject to implementation by Parties to the INTELSAT Agreement, and insists that it will achieve privatization by the year 2001. The Commission, by allowing direct access, would only

H.R. 1872, The Communications Satellite Competition and Privatization Act of 1997, 105th Cong., 2d Sess., 144 Cong. Rec. H2835-39 (daily ed. May 6, 1998).

³⁰ Pub. L. 105-366 (1998).

³¹ *NPRM* at para. 59.

be allowing in the United States what is already allowed, with INTELSAT support, in much of the world, including countries that strongly support privatizing INTELSAT.³² The Commission itself has acknowledged that direct access should not be expected to “somehow delay or undermine U.S. influence in achieving a privatized INTELSAT.”³³ Ellipso agrees that opening the U.S. market to INTELSAT direct access will not interfere with INTELSAT’s moves towards privatization; instead, it should be expected to accelerate the process.

III. A NEW GLOBAL MARKETPLACE

A. Private Satellite Systems Will Build Out the World’s Communications Capabilities

Ellipso believes that the new global marketplace demands the Commission’s prompt action to implement direct access. Today, new satellite systems, armed with technologies not available decades ago, funded by forward-looking investors, and joined by sophisticated technology and business partnerships, are emerging to meet market demands for new services with innovative applications at competitive prices.

³² *See Id.* at Appendices A and B.

³³ *Comsat Non-Dominant Order* at para. 157.

Technology applications and services from the United States have led the world in providing innovative communications capabilities. Policies pursued by the U.S. in the International Telecommunication Union and the World Trade Organization have laid the foundation for this leadership.³⁴ Essential components of these policies have been to secure access to foreign markets for U.S. communications providers and to encourage trading partners to adopt transparent regulatory regimes that offer a level playing field for all entrants.

Private satellite systems require an open and competitive global marketplace, one which is not burdened with market entry barriers and monopoly gatekeepers, in order to reach their full potential. Open markets and efficient employment of resources will in turn assure that every opportunity will be made to provide services to every corner of the world. Private satellite systems will significantly contribute to the global build-out of basic telephony, affordable data transmissions, and other forms of wireless communications and promise to provide effective ways to reach wider and non-served populations of the developing world.³⁵

³⁴ See *Hearing on H.R. 1872* at 44 (statement of the Hon. Gerald B. Helman, Vice President for International and Governmental Affairs, MCHI).

³⁵ Ellipso has partnered with Vula Communications, an investment consortium consisting of the investment trusts of the Metalworkers and Communications Workers union and the investment trusts of South Africa's largest black business and civic associations, to provide affordable fixed and mobile telephony to sub-Saharan Africa. Vula is the first South African company to own a part of a global telephone network.

B. The Commission Must Be Responsive to a New Global Marketplace

By implementing direct access, the Commission will take an important, pro-competitive step for U.S.-licensed satellite systems offering services in a global marketplace much changed since the *1984 Direct Access Order* and transformed since INTELSAT was established over three decades ago.

Notwithstanding its tradition of leadership in fostering a global marketplace that is accessible by U.S. consumers and providers of telecommunications services,³⁶ the U.S. is today seriously delinquent in not having eliminated Comsat's monopoly grant of INTELSAT access.³⁷

³⁶ "The United States has long been recognized as the leader in promoting competition in international telecommunications markets. Today, our country has the most well-developed satellite industry in the world. For it to prosper, we as policy makers must continue to promote market access and deregulation across the globe. Consistent with the domestic regulatory reform mandated by the Telecommunications Act of 1996, we must advance a pro-competitive deregulatory agenda for global satellite services around the world." *See Senate Hearing on Satellite Reform* (statement of Regina M. Keeney, Chief, International Bureau, Federal Communications Commission, page 16).

³⁷ The Commission re-affirms the fact that while direct access is not available in the United States, 93 countries permit either Level 3 or Level 4 direct access (76 countries permit Level 3 direct access and 17 countries permit Level 4 direct access). *See NPRM* at para. 10. This contradiction is underscored by the Commission's statements that "[l]ike many of our counterparts around the world, we have come to recognize that competition is the best means of delivering to consumers lower rates, innovation, greater choice, and improved services." *See Senate Hearing on Satellite Reform* (statement of Regina M. Keeney, Chief International Bureau, Federal Communications Commission, page ii).

U.S.-licensed satellite systems should enjoy the same advantages available to foreign-licensed systems in order to be competitive worldwide. This includes the efficient utilization of INTELSAT resources and carrying capacity.

By implementing Level 3 direct access, the Commission will allow market-sensitive providers and users to determine the most efficient use of INTELSAT resources in service to their customers. The Commission will be doing no harm to Comsat in asking Comsat to operate in a competitive world just like other satellite systems. Other former monopoly providers have flourished after being required to compete; Comsat, with its experience and technical know-how, can be expected to flourish as well. There is, moreover, no reason for the United States, which over decades has been the leader in opening markets and freeing trade, most recently in telecommunications, to be retrograde in this one area.³⁸

C. The Commission's Final Analysis Must Acknowledge the Pro-Competitive Advantages of Direct Access

The Commission's analysis in the *NPRM*, as in the *1984 Direct Access Order* and the

³⁸ Many markets have been ignored by INTELSAT for decades. While INTELSAT has been effective in providing services to major world markets, systems like ELLIPSO™ will provide services to rural communities and villages in under-developed areas at affordable rates.

Comsat Non-Dominant Order, runs the risk of focusing too heavily on the potential cost benefits of direct access.³⁹ The Commission also over emphasizes the significance of the existence of competitive alternatives for U.S. users.⁴⁰ While an analysis of potential cost reductions and the availability of alternatives for traditional users is important, given the emergence of new satellite systems over the past decade, and those promised in the near future, the Commission must give at least equal significance to the ability of direct access to enable providers to better serve their U.S. customer base and to enhance the competitiveness of U.S.-licensed systems in the global marketplace.⁴¹

It is significant that INTELSAT itself has opened the door for the implementation of

³⁹ The Commission summarizes the position of the Satellite Users' Coalition (AT&T, MCI, and WorldCom) regarding Comsat's markup of the INTELSAT Utilization Charge (IUC), Comsat's characterization of its charges in relation to the IUC, and the Commission's conclusions in the *Comsat Non-Dominant Order* and the *1984 Direct Access Order*. See *NPRM* at paras. 45-49. The Commission requests comments on the cost-related aspects carried over from these earlier proceedings. *Id.* at paras. 50-52.

⁴⁰ See *NPRM* at para. 55.

⁴¹ Cost reductions and the availability of alternatives will in part determine how direct access will be employed; however, to conclude that direct access should yet again be postponed because the Commission is unable to calculate what it would consider compelling cost savings to end-users or finds that alternatives exist for traditional users of the INTELSAT system would be short-sighted. This approach would further serve the tactics of delay employed so well in the past by Comsat and threatening the positive step forward that this proceeding represents. The Commission should instead allow the market, the vision of suppliers and the needs of users, determine the type and level of efficiencies that direct access will ultimately offer.

direct access in the United States and worldwide.⁴² Furthermore, the 105th Congress has made it clear that the monopoly aspects of the current regime are no longer appropriate.⁴³ Yet today, the Commission asks whether it is desirable to allow direct access to INTELSAT for all services and geographic markets⁴⁴ and whether its implementation of direct access should be guided by the scope of services authorized by those countries where direct access is already available.⁴⁵ The Commission also asks parties seeking direct access to provide information showing why existing customer choice is limited or inadequate in competitive markets and how direct access would be necessary to provide adequate customer choice.⁴⁶ These questions seem designed to provide the Commission with opportunities to hesitate yet again and reveal an unwillingness to allow the marketplace to determine how to most efficiently employ INTELSAT resources in the U.S. market. Direct access should be authorized for all services in all markets. As the Commission properly removes the current monopoly gatekeeper for INTELSAT utilization, it should not erect

⁴² See "Accessing INTELSAT ... Directly", reprinted in *Hearing on H.R. 1872* at 19.

⁴³ The U.S. House of Representatives passed H.R. 1872, the Communications Satellite Competition and Privatization Act of 1997, by a vote of 403 to 16. See 144 Cong. Rec. H2859 (daily ed. May 6, 1998) (Roll No. 129). Companion legislation to H.R. 1872, was introduced in the Senate during the 105th Congress. See S. 1328, The Communications Satellite Competition and Privatization Act of 1997, 105th Cong., 2d Sess., 143 Cong. Rec. S11,296-99 (daily ed. October 28, 1997).

⁴⁴ See *NPRM* at para. 54.

⁴⁵ See *Id.*

⁴⁶ See *Id.* at para. 55.

its own barriers to market participants.

V. CONCLUSION

The Commission must dismantle the current regime of limited access to INTELSAT and allow the marketplace to determine how best to utilize this resource. The Commission possesses the authority to implement the direct access proposed in the *NPRM* and in so doing will further the goals of INTELSAT privatization.

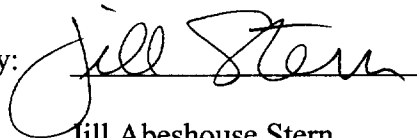
Direct access is consistent with INTELSAT's own policies of making its resources available to market participants on a competitive basis and will complement INTELSAT's stated goal of privatizing itself by the year 2001. Direct access is already available in 93 countries and will complement the U.S. policy of open markets and free trade. The Commission itself has

stated the benefits of direct access that are alone sufficient to forego further debate. For these reasons, the Commission should implement direct access, for all services in all markets, immediately.

Respectfully submitted,

ELLIPSO, INC.

By:

A handwritten signature in black ink, appearing to read "Jill Stern", written over a horizontal line.

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